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Message Text

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ORIGIN COME-00

INFO OCT-01 EUR-12 NEA-10 ISO-00 EB-08 AID-05 XMB-04
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EXIMBANK/AMEMMETT (PHONE)
NEA/RA/DMORAN (INFO)
----------116184 090818Z /21
R 081956Z DEC 77
FM SECSTATE WASHDC
TO AMEMBASSY TEL AVIV
INFO AMEMBASSY ATHENS
AMCONSUL JERUSALEM

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ATHENS PASS FOR RTDO

E.O. 11652: N/A

TAGS: BEXP, IS, GR

SUBJECT:FY 1977 COUNTRY COMMERCIAL PROGRAM FOR ISRAEL-
FINAL REVIEW

REF: TEL AVIV 8396 AND 9663

1. WCAG MET DEC. 1 TO REVIEW FOURTH QUARTER AND FINAL
REPORTS CONTAINED REFTELS. EMBASSY IS COMMENDED FOR ITS
SUBSTANTIAL ACCOMPLISHMENT OF FY 77 CCP OBJECTIVES AND
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PARTICULARLY FOR INITIATIVE IN ORGANIZING THE HIGHLY
SUCCESSFUL MINI TRADE SHOWS. ALSO GRATIFYING IS POST'S
MERITORIOUS PERFORMANCE OF ONGOING COMMERCIAL PROGRAMS.
COMMERCE END USERS STATE EMBASSY'S ADS REPORTING WAS
EXCELLENT AND ON TIME; DITTO FOR WTDR'S. A SLIGHT
INCREASE OF TRADE OPPORTUNITIES IN 1977 OVER 1976 WAS
NOTED, WITH POST PROVIDING GOOD PRODUCT CODING AND COMPANY

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INFORMATION. TEL AVIV IS RATED IN TOP 10 PERCENT OF ALL POSTS IN TRADE OP REPORTING. FOREIGN BUYER PROGRAM STAFF HAVE NOTED A MARKED INCREASE IN NUMBER OF ISRAELI BUSINESS-MEN VISITING U.S. IN RECENT MONTHS. WCAG PLEASED THAT REINSTITUTION OF EMBASSY'S EXCELLENT COMMERCIAL NEWSLETTER HAS HELPED HEIGHTEN INTEREST OF ISRAELI BUSINESSMEN IN U.S. PRODUCTS.

2. CAGNE COUNTED ONLY THREE NEW MAJOR PROJECT SUBMISSIONS BY POST IN FY 77. TENDENCY OF GOI TO USE ITS OWN CONTACTS IN DISSEMINATING INFORMATION ON MAJOR PROJECTS IS RECOGNIZED. HOWEVER, A HIGHER PRIORITY HAS BEEN PLACED IN FY 78 CCP ON MAJOR PROJECT REPORTING WITH OBJECTIVE OF ENCOURAGING GREATER GOI USE OF EMBASSY AS INFORMATION CONDUIT. EMBASSY COMMENTS ON HOW THIS MAY BE ACCOMPLISHED WOULD BE APPRECIATED.

3. SUBJECT OF SPIN-OFF RECRUITMENT FROM EUROPEAN TRADE EVENTS WAS DISCUSSED IN WCAG AND IN SEPARATE COMMERCE MEETINGS. WCAG WOULD ENCOURAGE EARLY VISIT TO TEL AVIV BY ED KINNEAR TO EXPLORE HOW RTDO MIGHT ASSIST POST'S SPIN-OFF EFFORTS. PROPOSED PLAN OF ACTION FOR ANALYTICA SPIN-OFF IS SUBJECT OF SEPTEL. CAGNE HAS MAILED LIST OF EUROPEAN SHOWS TO COMATT RUEDA.

4. WCAG CONCURS WITH EMBASSY'S RECOMMENDATION THAT UNCLASSIFIED

PLACING OF USIS-ACQUIRED ARTICLES IN ISRAELI TRADE JOURNALS AS CCP ACTIVITY BE DISPENSED WITH IN VIEW OF KEEN ISRAELI AWARENESS OF LATEST US DEVELOPMENTS IN TECHNICAL FIELDS.

5. WCAG REVIEWED HIGHLIGHTS OF U.S.-ISRAEL JOINT COMMITTEE FOR INVESTMENT AND TRADE MEETING HELD IN OCTOBER IN ISRAEL.

6. IN DISCUSSION OF ISRAEL'S NEW ECONOMIC POLICY (NEP), PARTICIPANTS EXPRESSED CONCERN THAT SHARP RISE IN COST OF ISRAELI IMPORTS MIGHT UNFAVORABLY AFFECT VOLUME OF US EXPORTS.

7. AID REPRESENTATIVE DISCUSSED NEP IN RELATION TO COMMODITY IMPORT PROGRAM. AS POST AWARE, GOI HAS EXPERIENCED SOME DIFFICULTIES IN EXPEDITIOUSLY DRAWING DOWN CIP CREDITS. THERE HAS BEEN SOME SPECULATION THAT THE NEP COULD FURTHER HAMPER THE TIMELY UTILIZATION OF THE PROGRAM IF IT PROVES DIFFICULT TO COLLECT AN ADEQUATE NUMBER OF DOCUMENTS UNDER THE NEW SYSTEM OF FREE FOREIGN EXCHANGE.

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8. EXIMBANK REPRESENTATIVE REPORTED THAT NINE ISRAELI BANKS HAVE CREDIT LINES UNDER THE EXIMBANK CFF PROGRAM TOTALING 70,250,000 DOLS, AND ADDITIONAL BANK LINES GUARANTEED BY EXIMBANK TOTALING 69,750,000 DOLS, FOR A GRAND TOTAL OF 140 MILLION DOLS. THROUGH AUG. 31, 1977, 631 EXPORT LOANS HAVE BEEN APPROVED UNDER ISRAEL'S CFF PROGRAM WITH A TOTAL U.S. CONTRACT PRICE OF 169.5 MILLION

DOLS. EXIMBANK'S AVERAGE LOAN TO AN ISRAELI BANK UNDER THE CFF PROGRAM IS 113,000 DOLS. THEREFORE, THE APPROXIMATE AVERAGE CONTRACT PRICE OF AN ISRAELI IMPORT UNDER THE CFF PROGRAM IS 250,000 DOLS (INCLUDING 15 PERCENT DOWN PAYMENT). ISRAEL RANKS SECOND WORLDWIDE
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(AFTER BRAZIL) IN USAGE OF THE CFF PROGRAM. EXIM REP ALSO TOLD WCAG THAT TOTAL EXIMBANK EXPOSURE (OUTSTANDING PLUS AUTHORIZED LOANS) FOR ISRAEL FOR ALL PROGRAMS AS OF SEPT. 30, 1977, WAS 406,318,000 DOLS. CHRISTOPHER

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Review Release Event: n/a
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Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: FY 1977 COUNTRY COMMERCIAL PROGRAM FOR ISRAEL- FINAL REVIEW
TAGS: BEXP, IS, GR
To: TEL AVIV
Type: TE
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